Canyon Fuel Company, LLC **Dugout Canyon Mine**

P. O. Box 1029 Wellington, Utah 84542 (435) 637-6360 Fax: (435) 637-0108

31 August 2001

Ms. Pamela Grubaugh-Littig **Utah Coal Program** Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801



Re:

Response to Technical Analysis on Gilson Well to the Dugout Canyon Mine M&RP,

Carbon County, Utah, ACT/007/039.

Dear Ms. Grubaugh-Littig:

Enclosed with this letter are the C1 and C2 forms and five copies of a permit modification application to Dugout Canyon Mine's M&RP. Three copies of pages with the modified text denoted with "redline/strikeout" marks are included. This application consists of modifications to the M&RP as a result of the 14 January 2000, Division's Technical Analysis of CFC's submittal for the water supply well.

Also, attached to this letter is a list of deficiencies the Division's noted during the review of our submittal and CFC's response to the deficiencies. Enough copies have been attached to be included with each of the five copies. We realize the application was returned to us because of our request for no action. However, we believe the modification we have made to the application addresses all of the permitting requirements.

If you have any questions regarding this submittal, please call Gary Taylor at (435)448-2620.

Sincerely,

Hary E. Taylor

Sr. Environmental Engineer Canyon Fuel Company, LLC

Enclosures

cc: Steve Demczak, Price Field Office

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DIVISION OF THE CAS AND MINING

Skyline Mines

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Reeds to submit c1/c Z

SUFCO Mine Soldier Canyon Mine/Dugout Mine

Ad told him this is a

New Amendment.

			APPLIC	AHON	FOR PERM	MIT PROCE	33ING		
Permit Cha	inge X	New Permit □	Renewal □	Transfer □	Exploration □	Bond Release □	Permit Number: ACT/007/039		
of Pro	posal: GILS	ON WATER WELL	Mine: DUGOUT CANYON MINE						
			Permittee: CANYON FUEL COMPANY						
Description, include reason for application and timing required to implement:									
GILSON WATER WELL IS REQUIRED TO MEET THE WATER NEEDS OF THE MINE									
Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation									
XYes	□ No	1. Change in the size of the Permit Area? acres Disturbed Area? acres □ increase □ decrease.							
□Yes	X No	2. Is the application submitted as a result of a Division Order? DO #							
□Yes	X No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?							
□ Yes	X No	4. Does application include operations in hydrologic basins other than as currently approved?							
□ Yes	X No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?							
□ Yes	X No	6. Does the application require or include public notice/publication?							
□ Yes	X No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?							
□ Yes	X No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?							
□ Yes	X No	9. Is the application submitted as a result of a Violation? NOV #							
□ Yes	X No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:							
□ Yes	X No	11. Does the application affect the surface landowner or change the post mining land use?							
es	X No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)							
□ Yes	X No	13. Does the application require or include collection and reporting of any baseline information?							
□ Yes	X No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?							
X Yes	□ No	15. Does application require or include soil removal, storage or placement?							
X Yes	□ No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?							
X Yes	□ No	17. Does the application require or include construction, modification, or removal of surface facilities?							
X Yes	□ No	18. Does the application require or include water monitoring, sediment or drainage control measures?							
X Yes	□ No	19. Does the application require or include certified designs, maps, or calculations?							
□ Yes	X No	20. Does the application require or include subsidence control or monitoring?							
X Yes	□ No	21. Have reclamation costs for bonding been provided for?							
X Yes	□ No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?							
□ Yes	X No	23. Does the application affect permits issued by other agencies or permits issued to other entities?							
□ Attach 5 complete copies of the application.									
I hereby certify that I am a responsible official of the applicant and that the information contained in this									

application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Signed - Name - Position - Date to before me this 21 day of Quart , + 2001

DIONNE M. OMAN NOTARY PUBLIC • STATE of UTAH 891 NORTH 300 EAST PRICE, UTAH 84501 COMM. EXP. 12-15-2002

My Commission Expires
Attest: STATE OF COUNTY OF

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

le of Application: Gilson Water Well

Permit Number:

ACT/007/039

Mine: Dugout Canyon Mine

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	X REPLACE	□ REMOVE	Chapter 2, Pages 2-ii thru 2-v and Pages 2-22 thru 2-43
X add	□ REPLACE	□ REMOVE	Appendix 2-8, Gilson Well Site Soils
□ ADD	X REPLACE	□ REMOVE	Chapter 5, Page 5-ix and Pages 5-15 and 5-16
X add	□ REPLACE	□ REMOVE	Drawing Nos. GE4B001 Page 5-15(a) and B-346 Page 5-15(b)
□ ADD	X REPLACE	□ REMOVE	Chapter 7, Pages 7-4, 7-82, 7-84, and 7-86
□ ADD	X REPLACE	□ REMOVE	Chapter 8, Page 8-1
□ ADD	X REPLACE	□ REMOVE	Appendix 5-6
X add	□ REPLACE	□ REMOVE	Appendix 7-1, Stream Alteration Permit
X add	□ REPLACE	□ REMOVE	Appendix 7-9, Pages 16a,16b, and 16c
□ ADD	X REPLACE	□ REMOVE	Appendix 7-9, Pages 53, 54, 55, 56, 57, and 77
ADD	X REPLACE	□ REMOVE	Plate 5-2, Surface Facilities
□ ADD	X REPLACE	□ REMOVE	Plate 7-1, Hydrologic Monitoring Stations
□ ADD	X REPLACE	□ REMOVE	Plate 7-2, Water Rights
□ ADD	X REPLACE	□ REMOVE	Plate 7-5, Disturbed Area Diversions
□ ADD	□ REPLACE	□ REMOVE	
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

TA RESPONSE

DUGOUT CANYON MINE

Water Supply Well Construction ACT/007/039-AM99G

Response to January 14, 2000, Technical Analysis



ENVIRONMENTAL RESOURCE INFORMATION

SOILS RESOURCE INFORMATION

R645-301-222, Complete Appendix 2.8 with all Attachments and Exhibits.

Attachment A "Technical field Visit Report", Attachment B "Exhibit A of Appendix 2-8", Attachment C "Soils Log for Test Pit TP-17" and Attachment D "TP-17 Soil Samples Laboratory Data Sheets" are now complete and included in Appendix 2-8.

OPERATION PLAN

TOPSOIL AND SUBSOIL

R645-301-232.500, Salvage soil down to 32" to include the buried "A" horizon.

Appendix 2-8 page ii, soil recovery depth was modified from 18 inches to 31 inches. This change is reflected in the soil volumes shown in Table 2-2, page 2-35, and page 2-40.

MAPS, PLANS, CROSS SECTIONS OF MINING OPERATIONS

R645-301-521.100, Update the surface facilities to show pump and well installation. The map will need to be certified by a registered professional engineer.

Plate 5-2 Surface Facilities was modified to show the location of the new well.

HYDROLOGIC INFORMATION

R645-301-730, Provide revised drawings to show the water well pad location, in particular Plate 7-5. Identify, on the drawing, where concrete-lined ditch segments are located and where they are unlined. Clarify the nature of the stream realignment at the pad. Show the ditches on Drawing No. GE4B001 and No. B-346. Correct typographic errors.

Plate 7-5 was revised to show the location of the Gilson water well (well) as requested. Plates 7-1 and 7-2 were also modified to show the well location.

The well is adjacent to DD-15 as shown on Plate 7-5. DD-15 as listed in Table 7-8 is not

concreted and does not need riprap. Therefore, this is an unlined ditch.

The nature of the stream alignment was explained in Section 742.300 under Diversion of Perennial and Intermittent Streams.

Drawing No. GE4B001 and No. B-346 have been revised to show ditch DD-15 as requested by the Division.

RECLAMATION PLAN

TOPSOIL AND SUBSOIL

R645-301-121.200, correct the typographical error on page 2-31 to indicate the correct location of volume calculations for the well site.

The typographical error on page 2-31 was corrected. At the bottom of table 2-2 it now reads Appendix 2-8 not Appendix 7-8.

R645-301-353.100, include the well site in riparian restoration plans within the MRP.

The Gilson well project is located in or near a riparian area. Reclamation of this site will be as stated in the requirements of riparian revegetation. This statement was added to Section 742.300-Diversion of Perennial and Intermittent Streams.

BOND AND INSURANCE

R645-301-830, The permittee must update the bonding section to include the installation of the well and pumping facilities. Also, the contingency section of the bond will need to be adjusted.

Appendix 5-6 was modified to reflect the reclamation costs of the Gilson water well being reclaimed.